



ENTERED
09/02/2020

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

IN RE:	§	
HOUTEX BUILDERS, LLC, <i>et al</i>	§	CASE NO: 18-34658
Debtors	§	
	§	CHAPTER 11
	§	
HOUTEX BUILDERS, LLC, <i>et al</i>	§	
Plaintiffs	§	
	§	
VS.	§	ADVERSARY NO. 20-03237
	§	
HL BUILDERS, LLC, <i>et al</i>	§	
Defendants	§	

REPORT AND RECOMMENDATION

This matter is before the Court on the Motion to Reconsider (ECF No. 32) filed by defendant Anna Williams. Pursuant to General Order No. 2011-12 in the United States District Court for the Southern District of Texas (“Authority of Bankruptcy Judges to Enter Final Orders”), as well as Bankruptcy Local Rule 5011-1, this Court makes the following report and recommendation to the District Court.

FACTUAL AND PROCEDURAL BACKGROUND

This adversary stems from a jointly administered Chapter 11 bankruptcy¹, in which three separate debtors were established for the purpose of constructing houses on a speculative basis. Plaintiffs/debtors, HouTex Builders, LLC, 415 Shadywood, LLC, and 2203 Looscan, LLC (collectively “HouTex”), are special purchase entities, owned by Charles and Lily Foster (“Foster”). CD Homes is a home construction company, owned by Anna Williams, and managed by Williams’ husband, Robert Parker (“Parker”). Beginning in the mid 2000’s, Foster and Parker, via various business entities, began to build residential homes in the Houston area. Williams filed three separate proofs of claim in the chapter 11 case.² Parker signed each of the claims on behalf of Williams. The plaintiffs have objected to each of the claims in the bankruptcy case.

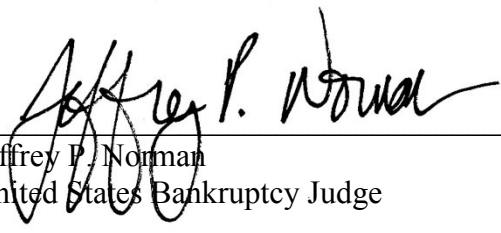
On June 29, 2020, HouTex initiated this adversary proceeding by filing a complaint against defendants, HL Builders, LLC, f/k/a CD Homes, LLC, and Anna Williams. Plaintiffs asserted the following claims and causes of action: (1) breach of contract against HouTex, (2) breach of contract against Shadywood, (3) breach of contract against Looscan, and (4) avoidance of transfers under TUFTA pursuant to Tex. Bus. & Com. Code 24.001. Thereafter, the plaintiffs filed an Amended Complaint (ECF No. 18), which included additional causes of action for avoidance of transfers under 11 U.S.C. §§ 548(a)(1)(A) and (B), avoidance of transfers under 11 U.S.C. § 544(b), and recovery of transfers under 11 U.S.C. § 550(a).

On July 30, 2020, Williams filed a motion seeking to withdraw the reference of this adversary proceeding and/or to abstain from hearing this case. The motions rely on her jury demand, the “non-core” nature of all or nearly all of HouTex’s claims, and her lack of consent to the bankruptcy court’s authority to enter final orders on non-core claims and causes of action. This Court denied the motion on August 24, 2020 (ECF No. 24).

However, in the order denying the motion the Court acknowledged that there was no consent to the entry of a final order and stated that “[F]or these reasons, this Court denies the motion to abstain and denies the motion to withdraw the reference, the trial will proceed in the bankruptcy court, and the bankruptcy court will make a report and recommendation to the district court based on the lack of the parties’ consent to the entry of a final judgment.”

THEREFORE, IT IS ORDERED that this Court recommends to the District Court that the motion to reconsider the court’s order denying the motion to withdraw the reference of this case to this Court be denied.

SIGNED: 09/02/2020.



Jeffrey P. Norman
United States Bankruptcy Judge